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SUBJECT: PRE-ELECTION SCENE SETTER: HSINCHU CITY AND HSINCHU COUNTY, KMT STRONGHOLDS

Classified By: AIT Director Douglas H. Paal, Reason(s): 1.4 (B/D)

**¶11. (U) Summary:** The Kuomintang (KMT) candidates for Hsinchu City Mayor and Hsinchu County Magistrate, both of whom are incumbents, lead their Democratic Progressive Party (DPP) challengers by wide margins. The election atmosphere in Hsinchu City is not very competitive or intense, and the KMT should have an easy victory. The KMT is well organized in heavily Hakka and traditionally pro-Blue Hsinchu County, where it is playing up the theme of DPP corruption and expects a relatively easy victory. End Summary.

Hsinchu City: KMT Confident of Retaining Power

**¶12. (C) KMT Hsinchu City Chairman Chang Yi-hua told AIT that the population mix in Hsinchu City is approximately 60 percent Taiwanese, 20 percent Hakka and 20 percent Mainlander and that Pan-Blue supporters outnumber Pan-Green supporters by approximately three to two, giving the KMT a built-in advantage. Chang attributed Mayor Lin's high poll ratings to several factors: Hsinchu's strong economy, his achievements, especially road and park construction; his keeping in touch with people by attending local weddings and funerals; and welfare policies that benefit retirees and families who have children. Noting that KMT Chairman Ma Ying-jeou inaugurated Lin's campaign headquarters on October 29, Chang said that they have suggested to Ma that he will not need to do any more campaigning in Hsinchu City because Mayor Lin enjoys a stable lead. Chang predicted that voter turnout will be about 65 percent.**

**¶13. (C) Chairman Chang told AIT that the DPP chose not to run its strongest candidate, Hsinchu City DPP Chairman Cheng Hung-hui, because a likely election loss would prevent Cheng from running for office for the next four years, according to DPP regulations. According to a mid-October public opinion poll from the generally respected but Blue-leaning ERA organization, Mayor Lin has a 35 percentage point lead over Cheng Kuei-yuan. Despite Lin's lead and popularity, Chang, however, was cautious in predicting who would win the election because of the possibility of last-minute DPP "tricks".**

**¶14. (C) DPP Hsinchu City Chairman Cheng Hung-hui told AIT that the 35-point polling gap probably exaggerates the actual margin between the two candidates and added that the DPP often increases its support as the election draws near. As a City Council Member representing just one district in the city, DPP candidate Cheng Kuei-yuan suffers from a lack of name recognition, Cheng Hung-hui noted. The strongest candidates for mayor or magistrate are usually legislators or at least council speakers who enjoy wide recognition. Cheng added that people support candidates because they know them, not because of their party affiliation. Cheng told AIT that the DPP plans to attack Mayor Lin for waste and running a deficit and to stress the DPP's own programs, which include putting the railway underground and building a second industrial science park.**

Hsinchu County: Even More KMT Confidence

**¶15. (C) KMT Hsinchu County Chairman Lee Cheng-wen noted that Hsinchu County has the highest proportion of traditionally pro-Blue Hakka residents in Taiwan, 81 percent, adding that the KMT has a strong organizational base in the country. According to Lee, Hsinchu County's Hakkas prefer stability and do not favor Taiwan independence or the DPP. Lee attributed Magistrate Cheng's popularity to Hsinchu County's strong economy, as well as his congenial personality, realism, welfare policy of pension subsidies for the elderly and free school lunches for children.**

**¶16. (C) Lee remarked that Ma Ying-jeou's clean image has benefitted the KMT and predicted this will influence the swing vote. In light of recent DPP scandals, Lee said, the KMT's strategy will be to emphasize DPP corruption in its campaign message. He criticized DPP candidate Lin Kuang-hua, who was magistrate from 1997-2001, as arrogant, unrealistic,**

and for putting the county in debt. Lee told AIT that Cheng has a better record regarding the cost-effectiveness of major projects.

¶7. (C) Lin Yu-ting, son of Hsinchu County DPP candidate Lin, told AIT that in Hsinchu County 40 percent of voters support the KMT, 25 percent the DPP and 35 percent of voters are uncommitted. Lin acknowledged that the DPP's scandals have complicated his father's campaign and said his father will emphasize his personal characteristics rather than his party affiliation. Lin suggested that incumbent Magistrate Cheng has corruption problems, which will come to light during the campaign. He also claimed that local reporters are being bribed, which explains why there are no negative stories about incumbent Magistrate Cheng. Lin lamented the power of personality and how unfair it is that President Chen's own problems have tainted the entire DPP while the entire KMT is now suddenly "clean" because of Ma Ying-Jeou's positive image.

¶8. (C) Lin stated that a false corruption allegation and more generous welfare promises by the KMT derailed his father's campaign during the last election. This year, Lin's father is upping the ante, promising voters a still higher pension for the elderly and two free meals (breakfast in addition to lunch) for school children.

Paal